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EXAMINER

BORLINGHAUS, JASON M

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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/650,733
Filing Date: August 30, 2000
Appellant(s): PILATO, ALEJANDRO M.

Michael Haynes
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 10/28/2006 appealing from the Office action mailed 3/8/2006.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

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McMenamin, Jim. *Financial Management: An Introduction*. Routledge. (1999). pp. 15 - 17 & 20 - 21.

Heath, Robert L. *Strategic Issues Management: Organizations and Public Policy Challenges*. Sage Publications. (1997). pp. 86 - 87.

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1 - 139 are rejected under 35 U.S.C. 103(a) as being unpatentable over McMenamin (McMenamin, Jim. *Financial Management: An Introduction*. Routledge. New York, NY. 1999. pp. 15 – 17 and 20 – 21) in view of Heath (Heath, Robert L. *Strategic Issues Management: Organizations and Public Policy Challenges*. Sage

Publications. Thousand Oaks, CA. 1997. pp. 86 – 87), Disclosed Prior Art (appellant's specification, pp. 1 – 2) and Stein (US Patent 5,684,952).

Regarding Claim 1, McMenamin discloses a method for providing financial functions (financial management) comprising the activities of (see figure 1.2, p. 15):

- relating to a financial risk management function (risk assessment). (see p. 16):
- receiving financial information (financial information). (see figure 1.2, p. 15);
- creating risk management information (financial analysis) relating to the financial information (financial information). (see figure 1.2, p. 15);
- analyzing the risk management information (financial analysis) in the context of the financial information (financial information). (see figure 1.2, p. 15); and
- determining an action (financial decisions) based on the analysis (financial analysis). (see p. 15).

McMenamin does not teach a computer-assisted method for providing financial functions by an agent for each of a plurality of institutional or corporate clients, comprising the activities of: relating to a financial function of each client:

- relating to a financial risk management function of each client:
- demonstrating that more than one activity of the agent is transparent to the client;
- receiving financial information at a computer of the agent;

- creating risk management information relating to the financial information;
- analyzing the risk management information in the context of the financial information;
- determining an action based on the analysis;
- facilitating implementation of the action on behalf of the client; and
- communicating with the client through a network one or more activities of the agent.

McMenamin does not teach that the providing financial functions comprising said steps is automated. However, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have automated the method, since it has been held that broadly providing a mechanical or automatic means to replace manual activity that accomplishes the same result involves only routine skill in the art. *In re Venner*, 120 USPQ 192.

While McMenamin does not explicitly state the implementation of said decision, however, it is old and well-known in the art that implementation of said decision is a fundamental and basic component, in fact the end result, of the entire decision-making process, as evidenced by Heath which states a strategic issues management model developed by "Hainsworth and Meng (1988) use to feature scanning-monitoring, identification-prioritization, analysis, (strategy) decision, implementation, and evaluation." (see p. 86). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin by incorporating an

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implementation stage, as disclosed by Heath, allowing for actual implementation of the strategic decision formulated in said financial function.

Principal-agent relationships and the outsourcing of functions and/or activities to said agents is old and well known in the arts of business and strategic planning, and principal-agent relationships, as evidenced by Disclosed Prior Art which states "In the financial sector typical functions being outsourced tend to be restricted to back-office functions such as settlements, clearing, safe custody, etc. More recently, however, all firms have begun to outsource functions that were previously considered too close to either the strategic management of the core business or to the identity of the firm for outsourcing." (see p. 2, lines 4 – 9). It would have been obvious one of ordinary skill in the art at the time of the invention to have modified McMenamin and Heath to incorporate the ability to allow for the financial function process to be outsourced and/or, otherwise, to be performed by an agent, to capture the financial and/or flexibility benefits of outsourcing such functions.

Utilizing a computer network in such a manner that an activity performed by one computer user is transparent to another user, and allowing for communication between said users through the network is old and well known in the art of computer network design and information technology systems, as evidenced by Stein which states a "system for enabling an administrator to monitor and control individual workstations within a network" (see col. 1, lines 12 – 14) and "...digital data include digitized audio information, which permit the students and the teacher to communicate with one another, as well as screen data which enables the information presented on the screen .

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of one workstation to be displayed on the monitors of other workstations.” (see col. 4, lines 43 – 48). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified McMEnamin, Heath and Disclosed Prior Art by incorporating a computer system, as disclosed by Stein, allowing the client to supervise the functioning of the agent and allow for communication between the two parties.

Regarding Claim 2, McMEnamin discloses a method wherein:

- the financial information is received. (see figure 1.2, p. 15).

McMEnamin does not teach a method wherein:

- the financial information is received through a network.

Stein discloses a method wherein:

- the information is received through a network (Ethernet network). (see col. 4, lines 39 – 48).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMEnamin, Heath, Disclosed Prior Art and Stein by incorporating the ability to receive financial information, as disclosed by McMEnamin, via a network, as disclosed by Stein, allowing for fast and efficient communication to the computer's utilized by the agents.

Regarding Claims 3 – 5, McMEnamin discloses a method wherein said activity of facilitating the action includes:

- recommending (presenting) an action (strategic decisions). (see p. 15).

McMEnamin does not teach a method wherein said activity of facilitating the action includes:

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- implementing the action on behalf of the client;
- instructing the client to implement the action; and
- recommending that the client implement the action.

While McMenamin does not explicitly state the implementation of said decision, however, it is old and well-known in the art that implementation of said decision is a fundamental and basic component, in fact the end result, of the entire decision-making process, as evidenced by Heath (see p. 86). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein by incorporating an implementation stage, as disclosed by Heath, allowing for actual implementation of the strategic decision formulated in said financial function.

Principal-agent relationships and the outsourcing of functions and/or activities to said agents is old and well known in the arts of business and strategic planning, and principal-agent relationships, as evidenced by Disclosed Prior Art (see p. 2, lines 4 – 9). It would have been obvious one of ordinary skill in the art at the time of the invention to have modified McMenamin, Heath, Disclosed Prior Art and Stein to incorporate the ability to allow for the implementation of action to be carried out by the agent on behalf on the client, or to inform the client of the agent's findings, allowing the client to carry out implementation themselves.

Regarding Claims 6 – 8, McMenamin does not teach a method further comprising:

- notifying the client that an action will be implemented by the agent;

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- notifying the client of the action implemented by the agent; and
- receiving notification from the client of an action implemented by the client.

Stein discloses a method further comprising:

- notifying (communicating with the) the client (teacher) by the agent (students). (see col. 4, lines 39 – 48); and
- receiving notification (communication) from the client (teacher). (see col. 6, lines 27 – 36).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein by incorporating an ability for said parties, such as the client and agent, to communicate through the system, as disclosed by Stein, to allowing for said parties to be fully informed and in continuous communication about their activities.

Communication between a principal and an agent in a principal-agent relationship, concerning the activities or the planned activities of said parties having an impact on their relationship, is old and well in the arts of business and strategic planning, and principal-agent relationships. It would have been obvious one of ordinary skill in the art at the time of the invention to have modified McMenamin, Heath, Disclosed Prior Art and Stein to incorporate the ability for the agent to notify the client concerning the planned implementation and/or completed implementation of an action taken by the agent, on the client's behalf, and for the client to notify the agent concerning the planned implementation and/or completed implementation of an action

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taken by the client, allowing for said parties to be fully informed concerning implementation of actions which may have an impact upon their relationship.

Regarding Claims 9 – 12, McMenamin discloses a method wherein the action includes providing:

- a notification (findings). (see p. 15);
- a report (findings). (see p. 15);
- an analysis (findings). (see p. 15); and
- information (findings). (see p. 15).

Regarding Claims 13 – 20, neither McMenanim, Heath nor Disclosed Prior Art teach a method wherein the activity of communicating includes:

- enabling the client to access information regarding one or more activities of the agent;
- enabling the client to access information across a network regarding one or more activities of the agent;
- allowing the client to monitor across a network one or more activities of the agent;
- allowing the client to monitor in real-time across a network one or more activities of the agent;
- allowing the client to monitor in near-real-time across a network one or more activities of the agent;
- reporting to the client across a network one or more activities of the agent;

- reporting to the client in real-time across a network one or more activities of the agent; and
- reporting to the client in near-real-time across a network one or more activities of the agent.

Stein discloses a method wherein the activity of communicating includes:

- enabling the client (teacher) to access (observe) information regarding one or more activities (project/task) of the agent (student). (see col. 5, line 65 – col. 6, line 10);
- enabling the client (teacher) to access (observe) information across a network (Ethernet network) regarding one or more activities (project/task) of the agent (student). (see col. 4, lines 39 – 48 and col. 5, line 65 – col. 6, line 10);
- allowing the client to monitor across a network one or more activities of the agent. (see col. 4, lines 39 – 48 and col. 5, line 65 – col. 6, line 10);
- allowing the client to monitor in real-time across a network one or more activities of the agent. (see col. 4, lines 39 – 48 and col. 5, line 65 – col. 6, line 10);
- allowing the client to monitor in near-real-time across a network one or more activities of the agent. (see col. 4, lines 39 – 48 and col. 5, line 65 – col. 6, line 10);

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- reporting to the client (via observation by client) across a network one or more activities of the agent. (see col. 4, lines 39 – 48 and col. 5, line 65 – col. 6, line 10);
- reporting to the client in real-time across a network one or more activities of the agent. (see col. 4, lines 39 – 48 and col. 5, line 65 – col. 6, line 10); and
- reporting to the client in near-real-time across a network one or more activities of the agent. (see col. 4, lines 39 – 48 and col. 5, line 65 – col. 6, line 10).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanim, Heath, Disclosed Prior Art and Stein by incorporating the ability to allow the client to monitor activities of their agents, as disclosed Stein, to allow for supervisory control and monitoring of agents.

Regarding Claims 21 – 23, McMenanim discloses a method further comprising reporting one or more:

- effects (costs, benefits and risks) of the action (strategic options) on the risk management information (financial analysis/financial review). (see pp. 15 – 16);
- effects of an alternative action (strategic options – establishing multiple possible options/actions) on the risk management information (financial analysis/financial review). (see pp. 15 – 16); and

- reasons (financial analysis/financial review/findings) behind an action (strategic options). (see pp. 15 – 16).

McMenanim does not teach a method further comprising reporting one or more:

- effects of the agent's action on the risk management information;
- effects of an alternative action to the agent's action on the risk management information; and
- reasons behind an action determined by the agent.

Principal-agent relationships and the outsourcing of functions and/or activities to said agents is old and well known in the arts of business and strategic planning, and principal-agent relationships, as evidenced by Disclosed Prior Art (see p. 2, lines 4 – 9). It would have been obvious one of ordinary skill in the art at the time of the invention to have modified McMenamin, Heath, Disclosed Prior Art and Stein to incorporate the ability to allow for the examination of the effect of and/or reasons for an action caused by an agent, as disclosed by Disclosed Prior Art, to capture the financial and/or flexibility benefits of outsourcing such functions.

Regarding Claims 24 – 26, neither McMenamin, Heath, Disclosed Prior Art nor Stein teach a method wherein said activity of communicating includes:

- providing an audit log of one or more historical activities of the agent on behalf of the client;
- informing the client of results of reviews of one or more of historical activities of the agent.

- seeking feedback from the client on reviews of one or more of historical activities of the agent.

Obtaining historical information concerning an employee, agent and/or consultant, presenting said information to a client and/or employer for examination, and obtaining feedback from said client and/or employer about said employee, agent and/or consultant is old and well known in the art of human resources management and strategic planning, such as providing a potential employer with a resume for assessment or having an client update a performance review based upon their agent's activities. It would be obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanin, Heath, Disclosed Prior Art and Stein by incorporating the ability to provide historical information to the client for review, allowing the client to gauge the reliability and/or effectiveness of said agent, and collecting feedback from said client concerning said agent, allowing the historical information to be updated and/or complete.

Regarding Claim 27, neither McMenanin, Heath, Disclosed Prior Art nor Stein teach a method wherein:

- the agent is conflict-free.

The benefits of a conflict-free agent operating in a principal-agent relationship is old and well known in the art of human resource management and principal-agent relationships. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanin, Heath, Disclosed Prior Art and

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Stein by incorporating an agent that is conflict-free, allowing the client to capture the benefits inherent in having a conflict-free agent, as is old and well known.

Regarding Claim 28, neither McMenanin, Heath, Disclosed Prior Art nor Stein teach a method:

- further comprising the agent receiving authority to implement the action on behalf of the client.

Establishing the scope and/or authority of an agent in a principal-agent relationship is old and well known in the art of principal-agent relationships and agency law. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanin, Heath, Disclosed Prior Art and Stein to allow and/or contract for any scope of agency authority that the inventor desired.

Regarding Claims 29 - 30, neither McMenanin, Heath, Disclosed Prior Art nor Stein teach a method:

- further comprising the client agreeing to implement actions recommended by the agent; and
- further comprising the client agreeing to implement actions instructed by the agent.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanin, Heath, Disclosed Prior Art and Stein to allow and/or contract for any response to the agents' recommendations/instructions that the inventor desired, such as agreement with or disregarding of agents' recommendations/instructions.

Regarding Claims 31 – 32 and 34 - 37, neither McMenanin, Heath, Disclosed

Prior Art nor Stein teach a method:

- wherein facilitating the implementation of the action results in the negotiation of the terms of a trade;
- wherein the determination of the action includes an identification of a best rate or price at which the trade can be executed;
- wherein the implementation of the action results in execution of a trade;
- wherein the implementation of the action results in execution of a trade with a third party;
- wherein the implementation of the action results in execution of a trade by the agent; and
- wherein the implementation of the action results in execution of a trade by the client.

Said actions are old and well known in the art of business transactions and financial management. Furthermore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanin, Heath, Disclosed Prior Art and Stein to allow and/or contract for the agent to implement and/or determine any action that the inventor desired, such as executing trades, conducting sales or manufacturing widgets.

Regarding Claims 33 and 38, neither McMenanin, Heath, Disclosed Prior Art nor Stein teach a method:

- wherein said activity of determining the action is performed automatically;
and
- wherein the action is implemented automatically.

However, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have automated the method, since it has been held that broadly providing a mechanical or automatic means to replace manual activity that accomplishes the same result involves only routine skill in the art. *In re Venner*, 120 USPQ 192.

Regarding Claims 39 – 46, McMenamin discloses a method wherein the financial information includes:

- any information. (“Any additional information that may be needed to complete the review will also be sought.” – see p. 15).

Neither McMenamin, Heath, Disclosed Prior Art nor Stein teach a method wherein the financial information includes:

- financial guidelines.
- one or more benchmarks.
- action guidelines.
- market risk limits.
- credit risk limits.
- Liquidity guidelines.
- Maturity guidelines.
- credit guidelines.

Said financial information sources are old and well known in the art of financial analysis and strategic planning. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein by incorporating said financial information, as is old and well known, to provide "any additional information that may be needed to complete the review" (see p. 15), as disclosed by McMenamin.

Regarding Claims 47 – 55 and 66 – 95, neither McMenamin, Heath, Disclosed Prior Art nor Stein teach a method wherein the financial risk management function includes:

- short-term funding and cash management;
- cashflow management;
- liquidity management;
- cash management;
- investment management;
- repo (repurchase agreement) funding;
- debt management;
- debt issuance;
- asset and liability management;
- treasury management;
- credit management;
- credit spread trading;
- loan portfolio management;

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- equity portfolio management;
- fixed income portfolio management;
- funding;
- collateral management;
- lending of securities;
- borrowing of securities;
- counterparty credit exposure management;
- financial risk management;
- market risk management;
- credit risk management;
- commodity price risk management;
- liquidity risk management;
- operational risk management;
- management of insurable risks;
- electricity price risk management;
- pension fund management;
- real estate management;
- hedging;
- dynamic hedging;
- mortgage pre-payment risk management;
- front-office activities;
- middle-office activities;

- back-office activities;
- front-office and middle-office activities;
- middle-office and back-office activities; and
- front-office, middle-office and back-office activities.

Said financial functions, either as a manual function, utilizing pen and paper, a mental function, performing mental computations within the head of a person, or as a computerized function, are old and well known in the arts of financial management and accounting management. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein by incorporating said financial functions, as are old and well known, into the financial management process, as disclosed by McMenamin, allowing the application of standard computations and financial processing into the financial management process.

Regarding Claims 56 – 65, neither McMenamin, Heath, Disclosed Prior Art nor Stein teach a method wherein the financial function includes asset and liability management and wherein:

- the assets include insurance premiums;
- the liabilities include insurance claims;
- the assets include life insurance premia;
- the liabilities include life insurance claims;
- the liabilities include pension claims;
- the liabilities include legal claims;

- the assets include leases;
- the liabilities include leases;
- the assets include operational cashflows; and
- the liabilities include operational cashflows.

Said assets and liabilities, and their use in asset and liability management, are old and well known in the arts of financial management and accounting management. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein by incorporating said assets and liabilities, as are old and well known, into the asset and liability management process, allowing for accurate and precise computations and, therefore, accurate and precise asset and liabilities management decisions.

Regarding Claims 96 – 101, neither McMenamin, Heath, Disclosed Prior Art nor Stein discloses a method wherein the financial information includes:

- detailed information on financial instruments relevant to a financial function;
- historical market data relevant to the financial function;
- current market data relevant to the financial function;
- economic information relevant to the financial function;
- any information relevant to the financial function; and
- strategic financial objectives.

Said financial information, and their use in a financial function and/or financial decision making process, is old and well known in the arts of financial management and

accounting management. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein by incorporating said financial information, as are old and well known, as incoming information in the financial management process, as disclosed by McMenamin, allowing for accurate and precise computations and, therefore, accurate and precise asset and liabilities management decisions.

Regarding Claims 102 - 111, neither McMenamin, Heath, Disclosed Prior Art nor Stein discloses a method wherein the client includes:

- departments of the client;
- subsidiaries of the client;
- affiliates of the client;
- clients of the client;
- regulators of the client;
- auditors of the client;
- agents of the client;
- advisors of the client;
- counterparties of the client; and
- shareholders of the client.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein to allow for any client that the inventor desired.

Regarding Claim 112, further computer medium claim would have been obvious from method claim rejected above, Claim 1, and is therefore rejected using the same art and rationale.

Regarding Claim 113, further apparatus claim would have been obvious from method claim rejected above, Claim 1, and is therefore rejected using the same art and rationale.

Regarding Claim 114, Claim 114 recites similar limitations to Claim 1 and is therefore rejected using the same art and rationale as applied in the rejection of Claim 1.

Regarding Claims 115 – 116, McMenamin discloses a method further comprising:

- receiving risk management information (financial analysis). (see figure 1.2, p. 15); and
- receiving the analysis (financial analysis). (see figure 1.2, p. 15).

McMenamin does not teach a method further comprising:

- receiving risk management information generated by an agent at the client; and
- receiving the agent's analysis at the client.

Principal-agent relationships and the outsourcing of functions and/or activities to said agents is old and well known in the arts of business and strategic planning, and principal-agent relationships, as evidenced by Disclosed Prior Art. (see p. 2, lines 4 – 9). Furthermore, communication and/or delivery of agent output to the principal are old and

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well known in the arts of business and strategic planning, and principal-agent relationships. It would have been obvious one of ordinary skill in the art at the time of the invention to have modified McMenemy, Heath, Disclosed Prior Art and Stein by incorporating the ability to allow for the communication and/or delivery of information generated by the agent to the client, to allow the principal to have the end results and/or output of agents' activities.

Regarding Claims 117 - 120, Claims 117 – 120 recite similar limitations to Claims 5 – 7 and are therefore rejected using the same art and rationale as applied in the rejection of Claims 5 – 7.

Regarding Claims 121 - 123, Claims 121 – 123 recite similar limitations to Claims 13 – 20 and are therefore rejected using the same art and rationale as applied in the rejection of Claims 13 – 20.

Regarding Claims 124 - 126, Claims 124 - 126 recite similar limitations to Claims 21 - 23 and are therefore rejected using the same art and rationale as applied in the rejection of Claims 21 – 23.

Regarding Claims 127 - 128, Claims 127 - 128 recite similar limitations to Claims 24 - 26 and are therefore rejected using the same art and rationale as applied in the rejection of Claims 24 – 26.

Regarding Claim 129, Claim 129 recites similar limitations to Claim 1 and is therefore rejected using the same art and rationale as applied in the rejection of Claim 1.

Regarding Claim 130, Claim 130 recites similar limitations to Claims 1 and 25, in combination, and is therefore rejected using the same art and rationale as applied in the rejection of Claims 1 and 25, in combination. Claim 130 differs from Claim 1 and 25, in that Claim 130 makes Claim 1 conditional upon Claim 25. However, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanin, Heath, Disclosed Prior Art and Stein to allow condition and/or reasoning for the provision of “new financial information” as under Claim 1 that the inventor desired.

Regarding Claims 131 - 132, neither McMenanin, Heath, Disclosed Prior Art nor Stein teach a method:

- further comprising removing the agent's authority to undertake any action on behalf of the client; and
- further comprising removing the authority of the agent in connection with one or more actions.

Establishing the scope and/or authority of an agent in a principal-agent relationship is old and well known in the art of principal-agent relationships and agency law. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanin, Heath, Disclosed Prior Art and Stein to allow and/or contract for any scope of agency authority that the inventor desired.

Regarding Claims 133 - 134, neither McMenanin, Heath, Disclosed Prior Art nor Stein teach a method:

- further comprising requesting the agent to halt one or more actions; and

- requesting, through a network, the agent to halt one or more actions.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanin, Heath, Disclosed Prior Art and Stein to allow and/or contract for any response to the agents' recommendations/instructions that the inventor desired, such as agreement with or disregarding of agents' recommendations/instructions.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanin, Heath, Disclosed Prior Art and Stein by incorporating the ability to transmit said information via the network, as disclosed by Stein, to allow for fast and efficient communication of said information.

Regarding Claim 135, Claim 135 recites similar limitations to Claim 2 and is therefore rejected using the same art and rationale as applied in the rejection of Claim 2.

Regarding Claim 136, further computer medium claim would have been obvious from method claim rejected above, Claim 1, and is therefore rejected using the same art and rationale.

Regarding Claim 137, further apparatus claim would have been obvious from method claim rejected above, Claim 1, and is therefore rejected using the same art and rationale.

Regarding Claim 138, further computer medium claim would have been obvious from method claim rejected above, Claim 1, and is therefore rejected using the same art and rationale.

Regarding Claim 139, further computer medium claim would have been obvious from method claim rejected above, Claim 1, and is therefore rejected using the same art and rationale.

(10) Response to Argument

As a preliminary matter, examiner asserts that there are numerous and repeated instances within the Appeal Brief in which the examiner believes that the appellant has either misinterpreted, misread and/or misapplied case law, statutes and/or prior art references. Examiner respectfully requests that the Board illuminate both parties concerning the proper interpretation of such matters following the conclusion of our respective arguments.

In response to appellant's argument that examiner failed to read claim(s) in light of the specification, thereby failing to properly uphold the standards of claim construction, specifically that examiner failed to utilize the implicit definition for financial risk management function (see Appeal Brief, p. 35, lines 3 – 4), the examiner asserts that the examiner did read claims in light of the specification.

Appellant asserts three places where he implicitly defined financial risk management function.

- “[t]he present invention relates to the field of financial risk management and trading, and, more particularly, to a method and system for clients to outsource financial functions to an agent.” (see specification, p. 1, lines 5 – 7);

- “[t]ypical financial functions are treasury, credit management, risk management, and trading, together with several of their associated sub-functions.” (see specification, p. 2, lines 16 – 17); and
- “[t]he activities that make up these financial functions are the relevant daily operations of the front-office trading departments and the associated middle-office risk management and back-office support departments.” (see specification, p. 3, lines 1 – 3).

None of these three cited passages define “financial risk management function” nor even mention the term “financial risk management function.” While appellants may be their own lexicographer, any special meaning assigned to a term “must be sufficiently clear in the specification that any departure from common usage would be so understood by a person of experience in the field of the invention.” See *Multiform Desiccants Inc. v. Medzam Ltd.*, 133 F3d 1473, 1477, 45 USPQ2d 1429, 1432 (Fed. Cir. 1998). As examiner is unable to comprehend how these three passages, when combined, formulate a special definition for the term “financial risk management function,” examiner must assert that appellant’s attempt to re-define the term is not “sufficiently clear.” Without a “sufficiently clear” departure from common usage, examiner utilized the common and ordinary definition for said term – the performance of financial risk management.

Furthermore, appellant states “the customary meaning for the phrase ‘financial risk management function’ is implicitly defined in the specification” (see Appeal Brief, p. 35, lines 4 – 5). Examiner is confused by the appellant’s statement. An examiner would

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utilize the “customary definition” of a term as the default definition for the term for claim construction, provided that the applicant did not assign special meaning to that term in the specification. However, appellant also claims that he “implicitly defined” the term within the specification which indicates that the appellant intends to provide some special meaning to the term that deviates from the default “customary meaning.” As there is no reason for the appellant to define the term unless he intends to deviate from the default meaning, these passages must have some special meaning, at least to the appellant. Unfortunately, the examiner does not see how the cited passages attempt to deviate from the “customary meaning” of the term as utilized by the examiner.

McMenamin, the primary prior art reference, discloses a financial management process which entails “an identification of any particular financial problems, risks, constraints or limitations; and an assessment of financial Strengths, Weaknesses, Opportunities and Threats” (emphasis added – see McMenamin, p. 15) and “The financial manager will be intimately involved in the financial evaluation and assessment of the options presented, in determining their respective costs, benefits and risks.” (emphasis added – McMenamin, see p. 16). Examiner asserts that such disclosures by McMenamin are the performance of a financial risk management function, in that financial risk management is a component of the greater financial decision-making process and/or financial management process.

Regarding examiner’s arguments from Final Office Action mailed on 7/3/06, examiner will attempt to clarify. Examiner’s first Office Action on the merits mailed on 1/13/06 addressed appellant’s claims that were filed at that time. Claims at that time did

not contain claim language consisting of the term "financial risk management function."
The term utilized in the claim was the extremely broad term of "financial function."

However, Appellant's Response filed 4/11/06 contained numerous arguments that examiner did not utilize appellant's implicit definition of "financial risk management function." Such claim language had only just been added to the amended claims submitted on 4/11/06. The closest terminology examiner could locate in the originally rejected claims to such a term was the claim language of "financial function."

Examiner was unsure why appellant was making this argument, as the previously rejected claims made no mention of the term "financial risk management function." Examiner was also unsure how the three cited passages provided any special meaning to the term "financial risk management function" as the cited passages failed to mention such term. Furthermore, if by some stretch of logic these passages did vaguely reference the broad concept of financial risk management, a contention that this examiner refutes, examiner did not see how these passages deviated from the common meaning of such term in traditional usage.

Examiner attempted to rationalize a reason for the appellant's arguments concerning the three passages and his insistence that such passages provided special meaning to the term "financial risk management function." After performing some mental gymnastics, examiner assumed that appellant's arguments consisted of re-defining "financial function" in such a manner as to pull into the claims the concept of "financial risk management function" and other assorted limitations from the specification.

Examiner interpreted appellant's arguments in the following manner. Appellant meant to state that the term "financial functions" refers to a subset of functions that exist under the banner of "financial risk management function" (see p. 1, lines 5 – 7). This is in contrast to the examiner's original interpretation, as embodied in the first Office Action on the merits, that the term "financial functions" was just a broad term for financial functions, in general.

Examiner further assumed that appellant meant to define "financial functions" that comprised "financial risk management" as "treasury, credit management, risk management, and trading, together with several of their associated sub-functions" (see p. 2, lines 16 – 17), thereby reading further limitations into claim language. This is despite the fact that the appellant utilizes the phrasing "[t]ypical financial functions are" indicating that such named functions are merely illustrative examples and the exact metes and bounds of the term "financial functions" were not being explicitly defined. Additionally, appellant utilized the phrasing "together with several of their associated sub-functions" which indicated that such attempted definition, if such was the attempt, is open-ended and broadly defined as additional "associated sub-functions" exist.

Examiner assumed from the appellant's earlier arguments that appellant sought to define "financial functions" as to mean "financial risk management" (see p. 1, lines 5 – 7) and then define "financial risk management" through all the various "financial function" components discussed in the specification. (see p. 2, lines 16 – 17 and p. 3, lines 1 – 3).

In conclusion, examiner's earlier arguments, termed "fallacious" and "lack[ing] logical validity" by the appellant (see Appeal Brief, pp. 36 - 37), was a convoluted attempt to understand why the appellant thought that the cited passages provided some special meaning to the term "financial risk management function."

In response to the appellant's argument concerning Official Notice finding(s) in previous office action, specifically that usage of Official Notice was improper and that prior traversal of such Office Notice was adequate, examiner asserts that the Office Notice was utilized and that appellant's traversal of Official Notice was inadequate.

Appellant states that in the first Office Action on the merits mailed 7/3/06 the phrase "Official Notice" did not appear in the claim rejections of the Office Action and that, therefore, the appellant would need to be "clairvoyant" to realize that Official Notice was being utilized (see Appeal Brief, p. 39). However, despite the appellant's assertions that he was unaware that Official Notice was being utilized the appellant refuted the Official Notices taken in the previous Office Action, although inadequately. (see Appellant's Response, p. 22 – specifically, the section entitled Official Notice). Examiner is unsure how appellant can traverse Official Notice but then claim, when such traversal is found inadequate, that he was unaware that there was an Official Notice to traverse. And now in the Appeal Brief (see p. 39), appellant asserts that his traversal of Official Notice was adequate even though, on the same page, appellant states that he would have had to been "clairvoyant" to have known that there was Official Notice being taken in the original Office Action.

Furthermore, while the phrase "Official Notice" was not utilized in the Office Action, an admitted oversight by the examiner, such lack of phrasing should not be held as a fatal error, as the language utilized in the rejection indicated that the subject matter of the claim limitation was "old and well known in the art." Furthermore, the response by the appellant consisted of a traversal of Official Notice indicating that the appellant was well aware that Official Notice was being taken by the examiner in the Office Action.

As to adequate traversal of Official Notice, appellant cites MPEP § 2144.03 (c) and various case law. However, appellant does not cite the full passage of MPEP § 2144.03 (c), which the examiner cites below (emphasis added).

To adequately traverse such a finding, an appellant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. See 37 CFR 1.111(b). See also Chevenard, 139 F.2d at 713, 60 USPQ at 241 ("[I]n the absence of any demand by appellant for the examiner to produce authority for his statement, we will not consider this contention."). A general allegation that the claims define a patentable invention without any reference to the examiner's assertion of official notice would be inadequate. If appellant adequately traverses the examiner's assertion of official notice, the examiner must provide documentary evidence in the next Office action if the rejection is to be maintained. See 37 CFR 1.104(c)(2). See also Zurko, 258 F.3d at 1386, 59 USPQ2d at 1697 ("[T]he Board [or examiner] must point to some concrete evidence in the record in support of these findings" to satisfy the substantial evidence test). If the examiner is relying on personal knowledge to support the finding of what is known in the art, the examiner must provide an affidavit or declaration setting forth specific factual statements and explanation to support the finding. See 37 CFR 1.104(d)(2). If appellant does not traverse the examiner's assertion of official notice or appellant's traverse is not adequate, the examiner should clearly indicate in the next Office action that the common knowledge or well-known in the art statement is taken to be admitted prior art because appellant either failed to traverse the examiner's assertion of official notice or that the traverse was inadequate. If the traverse was inadequate, the examiner should include an explanation as to why it was inadequate.

Examiner asserts that as stated in MPEP § 2144.03 (c), appellant failed to “specifically point out supposed errors...includ[ing] stating why the noticed fact is not considered to be common knowledge or well-known in the art.” In the instant case, appellant did not state “why the noticed fact[s]” such as cashflow management (see Claim 48) is “not considered to be common knowledge or well-known in the art,” as claimed by the examiner. The appellant claims that such an interpretation is “without legal basis under 37 CFR 1.111(b)” (see Appeal Brief, p. 39), although it is directly in line with MPEP § 2144.03 (c) that cites 37 CFR 1.111(b) as its source.

The appellant merely made a blanket statement “[t]o the extent that Official Notice is explicitly or implicitly utilized to support any rejection” (see Appellant’s Response, p. 22), which failed to “specifically point out supposed errors”. As such, appellant’s traversal was deemed inadequate and the examiner clearly stated that the Official Notice is “taken to be admitted prior art” due to the appellant

In response to the appellant’s argument concerning inherency, examiner believes that appellant has misread the previous office action. Examiner agrees with appellant’s assertion that inherency “requires that the missing descriptive material is ‘necessarily present,’ not probably or possibly present, in the prior art.” See *Trintec Indus., Inc. v. Top-U.S.A. Corp.*, 295 F.3d 1292, 1295, 63 USPQ2d 1597, 1599 (Fed. Cir. 2002).

However, examiner was only able to locate one use of inherency in the previous office action, Claim 27, as appellant has failed to cite the claim being referenced. In Claim 27, inherency was not utilized to state that a claim limitation was inherently

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present in the disclosed prior art but to state that the motivation was inherent on the basis of the claim language, itself.

Claim 27 claims "the agent is conflict-free." Examiner asserted that "[t]he benefits of a conflict-free agent operating in a principal-agent relationship is old and well known in the art of human resource management and principal-agent relationships. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein by incorporating an agent that is conflict-free, allowing the client to capture the benefits inherent in having a conflict-free agent, as is old and well known." (emphasis added).

The examiner was utilizing the term inherent in regards to articulating the benefits of having an agent being conflict-free, that is having an agent that is unbiased and free of conflicts of interest. Such motivation for having a conflict-free agent would be "inherent" based upon the definition of the word, itself, as in our level of reality one generally seeks an agent, employee and/or advisor that is unbiased and free of conflicts of interest to conduct financial analysis on one's behalf.

In response to the appellant's argument that the specification does not constitute Disclosed Prior Art, the MPEP states that when "the specification's background of the invention describes information as being known or conventional, [it] may be considered as an admission of prior art." *MPEP § 704.11 (a)*. Statements made by an appellant for a patent, whether in the application or in other papers submitted during prosecution, that certain matters are "prior art" to him, is an admission that such matter is prior art. The valid prior art created by the admissions can be used for any

purpose including use as evidence of obviousness, whether or not a basis in 35 U.S.C. 102 can be found for its use as prior art. *Aktiebolaget Karlstads Mekaniska Werkstad v. USITC*, 705 F.2d 1565, 217 USPQ 865 (Fed. Cir. 1983); *In re Fout*, 675 F.2d 297, 213 USPQ 532 (CCPA 1982); and *In re Nomiya*, 509 F.2d 566, 184 USPQ 607 (CCPA 1975).

To that end, the background does utilize terminology that indicates the disclosed information is known or conventional through the use of language such as “Outsourcing can be an option for managing such functions and, over the last few years, has grown into an important service industry, particularly for support functions” (emphasis added – p. 2, lines 1 – 3); “More recently, however, all firms have begun to outsource functions that were previously considered too close to either the strategic management of the core business or to the identity of the firm for outsourcing” (emphasis added – p. 2, lines 7 – 9); and “Another surprising announcement was the outsourcing of the entire Human Resources function of BP Amoco to a relatively small California firm.” (emphasis added – p. 2, 13 – 15). Such listed examples are merely illustrative and not exhaustive. Therefore, examiner asserts that information contained within the specification under the title “Background of the Invention”, such that organizations currently outsource financial functions to agents, is an admission of prior art and, therefore, Disclosed Prior Art.

Appellant cites *Riverwood International Corp. v. R.A. Jones & Co., Inc.* as refutation of examiner’s interpretation of Disclosed Prior Art. However, examiner asserts that appellant is misreading *Riverwood* which states that “[o]ne’s own work may not be

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considered prior art in the absence of a statutory basis, and a patentee should not be "punished" for being as inclusive as possible and referencing his own work in an IDS."

Riverwood International Corp. v. R.A. Jones & Co., Inc, 324 F.3d 1346, 66 USPQ2 1331, 1339 (Fed. Cir. 2003). In *Riverwood*, "an inventor's own work" was referring to an inventor's literal own work, an inventor's own inventions, such as embodied in other patents and/or patent applications. *Riverwood* was not prohibiting the admission of comments made in the specification's background about what is known or conventional in the art. Unless, appellant is stating that inventor also invented the concept of outsourcing financial functions as done by JP Morgan and Amoco BP, as disclosed in the specification, examiner is unsure how this case law applies to the instant situation.

In response to appellant's argument that examiner has failed to establish a prima facie case of obviousness, specifically appellant's argument that prior art references fail to teach all claim limitations of Claim 1, examiner asserts that a prima facie case of obviousness has been established.

Examiner asserts that the first component of a prima facie case, that the prior art references teach all claim limitations, has been met. Examiner encloses the following table as a summary of such mapped prior art references to the claim limitations of Claim 1.

Phrase #	Claim 1	McMenamin - NPL	Heath - NPL	Disclosed Prior Art	Stein - US Patent 5,684,942
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1	a computer-assisted method for providing financial functions by an agent for each of a plurality of institutional or corporate clients, comprising the activities of:	a method for providing financial functions (financial management and financial analysis) comprising the activities of (see p.15):		financial functions are performed by agents (outsourced) for each of a plurality of institutional or corporate clients (Amoco BP, JP Morgan). (see p. 2).	computer-assisted method (see abstract).
2	relating to a financial risk management function of each client:	relating to a financial risk function (financial manager involved in financial evaluation and assessment determines their respective costs, benefits and risks). (see p. 16).			
3	demonstrating that more than one activity of the agent is transparent to the client;				demonstrating that more than one activity of the agent (individual workstation) is transparent (viewable, communicatable via network) to the client (supervisor). (see col. 1, lines 12 - 14; col. 4, lines 43 - 38).
4	receiving financial information at a computer of the agent;	receiving financial information. (see p. 15).			Receiving information at a computer of the agent (individual workstation via network). (see col. 1, lines 12 - 14; col. 4, lines 43 - 38).
5	creating risk management information relating to the financial information;	creating risk management information (financial analysis that assesses strengths, weaknesses, opportunities and threats/financial evaluation and assessment determines their respective costs, benefits and risks) relating to the financial information. (see pp. 15 - 16)			
6	analyzing the risk management information in the context of the financial information;	analyzing the risk management information (strengths, weaknesses, opportunities and threats/respective costs, benefits and risks) in the context of the financial information. (see pp. 15 - 16).			
7	determining an action based on the analysis;	determining an action (financial decision) based on the analysis (financial analysis). (see p. 15)			

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8	facilitating implementation of the action on behalf of the client; and		implementation of an action is final stage of decision making process. (see p. 86)		
9	communicating with the client through a network one or more activities of the agent.				communicating with the client (supervisor) through a network of one or more activities of the agent (individual workstation). (see col. 4, lines 43 - 48).

Appellant claims that prior art references fail to disclose “a financial risk management function.” (see Appeal Brief, p. 41). Examiner asserts that the primary reference, McMenamin, discloses a financial management process which entails “an identification of any particular **financial problems, risks**, constraints or limitations; and an assessment of **financial Strengths, Weaknesses, Opportunities and Threats**” (emphasis added – see McMenamin, p. 15) and “The financial manager will be intimately involved in the **financial evaluation** and assessment of the options presented, in determining their respective costs, benefits and **risks**.” (emphasis added – McMenamin, see p. 16). Examiner asserts that such disclosures by McMenamin are the performance of a financial risk management function by a financial manager.

Appellant claims that none of the prior art references discloses “a computer-assisted method for providing financial risk management functions by an agent for each of a plurality of institutional or corporate clients.” (see Appeal Brief, p. 41). Examiner asserts that “one cannot show non-obviousness by attacking references individually where, as here, the rejections are based on combinations of references.” *In re Keller, Terry, and Davies*, 208 USPQ 871, 882 (CCPA 1981).

While McMenamin does not teach that the method is automated. However, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have automated the method, since it has been held that broadly providing a mechanical or automatic means to replace manual activity that accomplishes the same result involves only routine skill in the art. *In re Venner*, 120 USPQ 192.

Additionally, examiner would like to point out that the claim does not state that all steps of the process are automated and/or performed on a computer, just that the method is “computer-assisted.” The claim language leaves the metes and bounds of this computer assistance unclear as a financial risk manager performing their analysis with pen and paper along with a sole calculator (a computer) would technically be performing a “computer-assisted method.”

Heath, a prior art reference that discusses numerous decision-making models in conjunction with formulating “corporate business strategy” and “strategic business planning” (see p. 86), discloses that “implementation” (see p. 86) is the final step in the decision-making process. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin by incorporating an implementation stage, as disclosed by Heath, allowing for actual implementation of the strategic decision formulated in said financial function.

Disclosed Prior Art discloses “Outsourcing can be an option for managing such functions and, over the last few years, has grown into an important service industry, particularly for support functions” (p. 2, lines 1 – 3) and “More recently, however, all firms have begun to outsource functions that were previously considered too close to

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either the strategic management of the core business or to the identity of the firm for outsourcing.” (p. 2, lines 7 – 9). Disclosed Prior Art then discloses a method for providing management functions by an agent for each of a plurality of institutional or corporate clients, such as the provision of building management functions by an agent for an institutional client, JP Morgan, or the provision of human resource management functions by an agent by the corporate client, BP Amoco. (see p. 2, lines 1 – 17).

As Disclosed Prior Art discloses that “all firms have begun to outsource functions that were previously considered too close to either the strategic management of the core business or to the identity of the firm for outsourcing” (p. 2, lines 7 – 9), examiner asserts that it would have been therefore obvious to outsource financial risk management performed by a financial manager, as disclosed by McMenamin, to an agent, as disclosed by Disclosed Prior Art, as other core functions are currently being outsourced, as disclosed by Disclosed Prior Art.

Claim 1 also claims “demonstrating that more than one activity of the agent is transparent to the client” and “communicating with the client through a network one or more activities of the agent.” Appellant alludes to a definition of transparency as “transparency can mean enabling the communication and/or the access to information across a network.” (emphasis added – see specification, p. 7, lines 10 – 11). “Can mean” implies that the following portion could be interpreted as a possible definition of transparency but that others may exist. Then appellant also claims that a low technology version of this transparency can be accomplished through monitoring “the

activities of the client's own risk management and trading staff through a glass partition." (see specification, p. 11, lines 12 – 14).

Stein discloses a "system of networked computer workstations...for enabling an administrator to monitor and control individual workstations within the network." (see abstract). Furthermore Stein discloses a computer-assisted method of communication across a computer network ("digital data include[ing] digitized audio information, which permit students and the teacher to communicate with one another" – see col. 4, lines 43 – 48) and demonstrating that more than one activity of an individual agent (work station) is transparent (viewable) to the client (administrator). (see col. 1, lines 12 – 14). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified McMenamin, Heath and Disclosed Prior Art by incorporating a computer system, as disclosed by Stein, allowing the client to supervise the functioning of the agent, as disclosed by Stein (see abstract), and allow for communication between the two parties, as disclosed by Stein (see col. 4, lines 39 – 49).

Examiner asserts that the second component of a prima facie case, that sufficient motivation or suggestion to combine, has been met. Furthermore, examiner directs the Board's attention to the previous passages concerning the specifics of motivation and suggestion to combine the prior art reference.

As to appellant's additional arguments, appellant asserts that the examiner has failed to present even a "mere scintilla of evidence" concerning motivation or suggestion to combine (see Appeal Brief, p. 44). Examiner must once again state the Courts have stated that "[a] suggestion, teaching, or motivation to combine the relevant prior art

teachings does not have to be found explicitly in the prior art, as the teaching, motivation, or suggestion may be implicit from the prior art as a whole, rather than expressly stated in the references...The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art... there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." *In re Kahn*, 78 USPQ2d 1329, 1336 (CA FC 2006). Examiner asserts that based upon the implicit suggestions contained in the prior art as a whole and the specific prior art references cited, that the examiner has presented sufficiently more evidence than a mere scintilla.

Examiner asserts that the third component of a prima facie case, that reasonable expectation of success, has been met. In response to appellant's argument that there must be a reasonable expectation of success, examiner asserts that there must only be "a reasonable expectation of success." *In re Merck & Co., Inc.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). Obviousness "does not require absolute predictability of success," merely some degree of predictability is required. *In re O'Farrell*, 7 USPQ2d 1673, 1681 (CA FC 1988). However, evidence that there was no reasonable expectation of success may refute a conclusion of obviousness. *In re Rinehart*, 531 F.2d 1048, 189 USPQ 143 (CCPA 1976). Lacking such the presentation of such evidence, examiner maintains that, based upon the prior art reference(s) and the knowledge of one of ordinary skill in the art, that there is a reasonable expectation of success.

As a preliminary matter before examiner delves into the appellant's arguments concerning the prior art references themselves, specifically appellant's arguments that a skilled artisan would not have selected anything from the suggested prior art references, examiner asserts that the prior art references are valid under the analogous arts test. The Courts have stated that to be utilized "as a basis for rejection of the applicant's invention, the reference must either be in the field of the applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the inventor was concerned." *In re Oetiker*, 977 F.2d 1443, 1447 (Fed. Cir. 1992). As such "it is necessary to consider "the reality of the circumstances" -- in other words, common sense -- in deciding in which fields a person of ordinary skill would reasonably be expected to look for a solution to the problem facing the inventor." *In re Wood*, 599 F.2d 1032, 1036 (CCPA 1979). As articulated below, examiner asserts that based upon common sense, the field of the references and/or the problem the inventor was concerned about, that the cited prior art references would have been utilized by a skilled artisan in the art.

In response to appellant's argument concerning McMenamin, examiner asserts that McMenamin is a valid prior art reference.

Appellant asserts that examiner "mischaracterize[ed]" McMenamin as the cited portions of the prior art reference are merely an "introduction" to "financial management." (see Appeal Brief, p. 41). Examiner is unaware of any case law or MPEP section that disqualifies a prior art reference due to that reference being an introduction to a textbook.

Examiner asserts that McMenamin, although an introduction section, meets and satisfies the broad claim limitations concerning “financial risk management” being performed by an “agent” (financial manager) as articulated in Claim 1. Examiner asserts that the claim limitation concerning a “computer-assisted method” (whatever the metes and bounds of such computer assistance may be) are satisfied when McMenamin is read in conjunction with the other prior art references.

Appellant asserts that examiner has presented “no concrete evidence” that “the skilled artisan” would select anything from McMenamin. Examiner asserts that McMenamin is a financial management textbook that discusses analysis of financial risks as part of the financial-decision making process and would, therefore, have been considered as a prior art reference by someone that sought to perform financial risk management.

In response to appellant’s argument concerning *In re Venner*, specifically appellant’s assertion that *In re Venner* is invalid law, examiner asserts that *In re Venner* is still valid law and, moreover, directly applicable to this case.

Appellant points out that *In re Venner* which stated that broadly providing a mechanical or automatic means to replace manual that accomplishes the same result involves only routine skill in the art was decided in 1958. Appellant states that due to the age and the intervening *Graham* test that *In re Venner* is no longer valid. Examiner asserts the opposite. (see Appeal Brief, p. 42). If the courts found that broadly providing a mechanical or automatic means to replace manual activity required only routine skill in the art in 1958 and 40 years had passed, as of the time of the application’s filing, with

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automation and computerization making inroads into every area of our daily live, examiner is unable to ascertain how the concept of automation would be less obvious now than it was then.

Appellant "notes the facial absurdity of the legal premise" based upon *In re Venner*. (see Appeal Brief, p. 42). However, examiner believes that appellant is misinterpreting *In re Venner*. Examiner asserts that the key phrasing in *In re Venner* is "**broadly** providing mechanical and automated means" (emphasis added). *In re Venner* is not stating that an invention that makes possible the automation of a manual process is unpatentable, just that broadly providing mechanical and automated means to replace manual activity is obvious. Neither *In re Venner* nor the appellant is inventing something that makes automation possible. In both instances, the inventor is merely taking existing technology and utilizing it in its ordinary designed fashion to replace manual activity in a known manual process.

In *In re Venner*, a timer was being used to operate a mold apparatus, thus replacing the human worker that would sit by the machine and monitor the mold apparatus. *In re Venner* was not inventing a timer. *In re Venner* was not inventing the molding process. *In re Venner* was merely utilizing existing technology, a timer, to replace a known manual activity, monitoring the molding apparatus, and the existing technology is performing its ordinary designed function, telling time.

In the instant case, appellant is utilizing an existing technology, a computer, to replace a manual activity, performance of financial risk management functions, and the

existing technology is performing its ordinary designed function, performing computations and functions.

Appellant makes the example that automating “a manual activity of driving an automobile to a grocery store and purchasing a gallon of milk” would be substantially more than routine skill in the art. (see Appeal Brief, p. 42). Examiner disagrees. If someone broadly stated that they were going to take an existing technology, such as a robot, to perform a known manual activity, going to the store for milk, and the existing technology is performing its ordinary designed function, replacement of human activity, such would still be obvious. However, if that inventor actually invented the robot or automated device that made such automation possible, that robot and such automated process would be patentable.

In response to appellant’s arguments concerning prior Heath, specifically appellant’s assertion that Heath is “completely irrelevant”, examiner asserts that Heath is completely relevant. Appellant seeks to automate a decision-making methodology with an information collection phase, an analysis phase, a decision phase and an implementation phase. Heath and McMenamin are textbooks that pertain to decision-making methodologies. While McMenamin concentrates on decision-making in a financial management context, Heath discusses the basic underpinnings of a decision-making methodology regardless of the context. Furthermore, Heath ties its discussion of decision-making processes to formulating “corporate business strategy” and “strategic business planning” (see p. 86).

Examiner asserts that a "skilled artisan" that was seeking to automate a decision making process, such as financial risk management, would consider a text concerning the decision making process, such as is utilized in development of corporate business strategies and business planning would be considered wholly relevant.

In response to appellant's argument concerning improper reliance on Stein as a reference, specifically that examiner failed to address in detail the applicant's submitted arguments, Examiner asserts that examiner did address appellant's submitted arguments.

Examiner stated in Final Office "Finally, a supervision system that allowed management to oversee their agents and/or employees at their individual workstations, is disclosed by Stein, serving to monitor and provide transparency concerning the actions of agents." (see p. 33).

As examiner stated that Stein, as a whole and in cited portions, taught the claim limitations of the appellant, examiner assumed that it would have been obvious why "a skilled artisan" would have consulted Stein, as Stein directly deals with the same issues of communication through a computer network and transparency of actions of users at individual workstations within the network as stated in the claims and specification. (see col. 1, lines 6 – 14).

In response to appellant's arguments concerning Claims 2 – 139, as appellant's arguments concerning Claims 2 – 139 are based upon similar arguments as are addressed above, the examiner requests that the Board consult examiner's responses cited above and the rejections from the Final Office action.

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(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

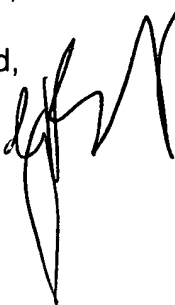
For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

Jason Borlinghaus

Examiner

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 10/07/06

Conferees:

James Trammell 